

CORRECTED FISCAL NOTE

SB 161 - HB 217

February 16, 2005

SUMMARY OF BILL: Extends the litter tax on beer and bottled products for an additional six years until June 30, 2010, or until June 30, of any other year following the enactment of any state or federal law which imposes mandatory deposits by consumers on beverage containers sold in Tennessee.

ESTIMATED FISCAL IMPACT:

On February 12, 2004, we issued a fiscal note which indicated a *decrease in state revenues of \$4,700,000 to the Highway Fund.*

Based on additional information provided, the estimated fiscal impact of this bill is:

(Corrected)

MINIMAL

Assumptions:

- Public Chapter 307 for 1981 was the law originally passed to temporarily provide tax revenue, allocated to the highway fund, earmarked for litter control.
- Since enactment in 1981, a bill such as this has passed every five years or so to extend the temporary taxes on bottlers and beer needed to maintain funding for litter control programs in Tennessee.
- FY2004 collections generated from bottlers were approximately \$12.3 million.
- FY2004 collections generated from beer were approximately \$17.2 million.
- Not passing this legislation would result in tax revenue declines, generated from bottlers and beer, of approximately \$2.7 million and \$2.0 million respectively.
- Passing the legislation would result in a fiscal impact that is minimal.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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